Title: ANNUAL REPORT ON MC'S 13-28 AND ML'S 10, 16, 17, 23, 51-57, 61, 62 AND 90

Project Name: JERVOIS MINE

Map Sheets: Huckitta 1:250,000 SF53-11

Commodities: Cu, Pb, Ag, Zn, W

Author: A.T. Price

Date: 19th March 1992

The contents of this report remain the property of Poseidon Exploration Limited and may not be published in whole or in part nor used in a company prospectus without the written consent of the Company.
1. Introduction

This report covers work conducted on MC's 13-28 and ML's 10,16,17,23,51-57,61,62 and 90 in the Jervois area.

During October 1991 Poseidon Exploration Ltd negotiated an option agreement with Plenty River Mining Co and Petrocarb to explore the Jervois tenements.

The tenements are located 280km NE of Alice Springs and are surrounded by ERL's 67-70, held by Plenty River, which are in turn encompassed by EL 6993 held by Poseidon Exploration (refer to figs 1, 2 and 3).

No mining has occurred on the tenements since 1983 when the operation was placed on care and maintenance due to falling metal prices after operating for less than a year. All plant and equipment were auctioned late in 1991.

2. Geology

The geology of the area has previously been described in detail in the Annual Reports on EL 6993 (9/11/90-8/11/91) and ERL's 67-70 (6/12/90-7/12/91).

The ML's and MC's cover the prospective "lode" horizon which contains the bulk of the Cu, Ag, Pb, Zn mineralisation discovered to date at the Reward, Marshall, Green Parrot and Bellbird prospects (refer fig 3).
PLENTY RIVER MINE LOCATION MAP

Highway, sealed

Highway, unsealed

Road, unsealed

FIG 1

PLENTY RIVER MINING COMPANY N.L.

Scale 1:2000000

K.R. YATES 15/3/89
3. Exploration activities

During the period 1/1/91 - to 31/12/91, the following work was undertaken:

(i) Airborne EM and magnetic surveying

The licences were covered as part of a regional survey commissioned by Poseidon and undertaken by Aerodata, the specifications and results of which are fully reported in the Annual Report on EL 6993 (9/11/90 - 8/11/91).

(ii) Ground EM surveying

Ground EM surveying was commenced to cover the "lode" horizon. Three loops were completed during the reporting period with a total of eighteen planned. A loop size of 600m (along strike) and 300m (across strike) is being used. Readings are taken every 50m on 600m long lines set at 100m intervals.

(iii) Establishment of an AMG based grid

(iv) Orientation soil sampling

Three lines of soil samples were collected across the area (refer fig 3). Of the 96 samples collected only 6 lie within the leases with the remainder in the surrounding ERL's. Two size fractions were analysed, -6 +1mm and -180um.

Samples were analysed by Classic Laboratories in Darwin for the following elements (detection limits in brackets):

- Ag(0.1), As(1), Bi(4), Cd(0.1), Co(2), Cr(2), Cu(1), Fe(100), Mn(5), Mo(1), Ni(1), Pb(4), P(5), Sb(5), V(1) and Zn(1) by ICP
- Ba(10), U(4) and W(10) by XRF.

Preliminary inspection of results indicates that the coarser fraction is more definitive and will be used for future programs.
4. **Exploration Program for 1992**

The work program for 1992 is as follows:

(i) Completion of ground EM surveying

The remaining 15 loops will be completed and interpreted in order to identify conductors.

(ii) Diamond drilling

EM conductors will be drilled depending on their size and whether they have already been tested by earlier drilling. A total of \(2000\text{m}\) of diamond drilling (including precollars) is proposed.

(iii) Soil sampling

The licences will be soil sampled as part of a larger program in the surrounding ERL's. A \(500\text{m} \times 100\text{m}\) spacing will be used with the -6 \(+1\text{mm}\) fraction being collected. Rock chip samples may be collected along the traverses.
5. **Exploration Expenditure**

*Poseidon* Exploration has spent an estimated $26,682.17 on the Jervois tenements during the period 1/1/91 - 31/12/91.

Proposed expenditure for 1992 is estimated to be in excess of $300,000.

6. **References**

COZENS G.J., **BOOTH, S.A.** 1991: Annual Report on *EL's* 6993 and 6994

YPMA P.J., **1991**: Annual Report on *ERL's* 67-70